

MOBILE BANKING APPLICATION

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ABSTRACT

Mobile banking is an electronic system that provides most of the basic services available in daily, traditional banking, but does so using a mobile communication device, usually a smart phone. In some cases, a well-developed mobile banking system can actually provide point-of-sale ability similar to an ATM or credit card, except the purchaser buys by using their phone instead. In this paper, we will study about M-banking which is subset of m-services in India. The m-banking is fast growing with its multitude features offered with mobile apps and internet banking. Indian Banking Association is urged to heavily invest in technologies that can evolve and protect against future threats, as well as tackle current pressures from malware and social engineering.

Keyword: -Banking and Mobile Services, Customer, Issues, Mobile Banking, India, M-Banking, And Challenges Of M-Banking In India.

1. INTRODUCTION

In India, commercial banking industry has involved various financial innovations, which means shifting their focus from tradition banking to technology banking to satisfy the needs of their customers and to get competitive edge. Mobile banking is one such innovation. Mobile Banking is defined as doing various banking transactions like fund transfer, balance enquiry, investments, paying bills through the use of mobile phones. All the banks that are licensed and have branch in India are allowed to provide mobile banking services to their clients. This facility helps customers to transfer fund from one account to another account on a real time basis using mobile network. Mobile banking as a financial tool has been seeing its time of acceptance occur very much thanks to increasing mobility offered by smart phones. Phones essentially pack the capability of a basic computer and Internet access into a communication device. The technological push for increased mobility and function via a phone has begun to take shape with increased capital investment into networks and systems that can support these features. Mobile banking is an electronic system that provides most of the basic services available in daily, traditional banking, but does so using a mobile communication device, usually a smart phone. In some cases, a well-developed mobile banking system can actually provide point-of-sale ability similar to an ATM or credit card, except the purchaser buys by using their phone instead. With the ease of mobile smart phones and their wide variety of applications today, it's not surprising the mobile banking is now coming into full vogue. However, the concept and ability is not a new concept.

2. LITERATURE REVIEW

Financial Services are generally complex and need a lot of trust for the consumer to use technology. Banks have changed from paper-based banking solutions provider to the latest of the technologies like online-banking, mobile-banking, etc. Customers across the world, even technologically optimists, have refrained from using technology aided solutions. There are many reasons why technology has not been able to ride the acceptance wave and cross the hurdle and become an acceptable feature in banking. As today's banking has redefined itself as customer centric, it becomes more important that the customer is happy with the services being provided. Unfortunately, the acceptance and adoption rates are very low even in the case of educated customers. The paper looks at various factors which explain why consumers are not using mobile banking and other technologies in banking. It would also try to suggest why people are not currently using mobile banking and try to suggest how to overcome this problem and increase the acceptance levels. This will enable mobile network operators who connect to the everyday reality of the

customers, diversify in what is known as a growing market and also implement security measures to ensure a safe and secure mobile banking transaction.

2.1 Objectives of Study

1. The main objective of this paper is to study of analyze the mobile banking in India and practices and challenges in mobile banking.
2. To study the perceived utility of various Mobile banking services.
3. To improve the usage of Mobile Banking.

2.2 Mobile Banking in India and its Impact on Customers

Introduction of mobile banking in 1980 helped banking industry to achieve exponential growth in the increased mobile transactions and improved customer service (Garima& Gulati, 2013). But in India, mobile banking is still in its nascent stage. Banks really need to identify various factors impacting customer's behavior about mobile phone to grow mobile banking in India. In developing countries like India, there are more mobile phone users than bank account owners. India stands second in terms of financially disqualified households in the world which mean that more than fifty percent of the population is financially underserved. Report on financial inclusions by World Bank state that 35 percent of Indian population has bank account and 65 percent of the population is still in the need of various financial services and access to financial institutions facilities. Although growth can be seen in mobile banking and it is beneficial for banks, there are many challenges that Indian banks are experiencing through tremendous increase in the mobile banking user database like mobile set effectiveness, major privacy issues, transaction feasibility and appropriateness, app compatibility, consumer awareness and knowledge etc. Indian banks are struggling with issues like technology adoption into their systems which is very complex and banks should make these technologies easy to use to customers. Data shows that people are not very well updated with this upcoming mobile banking technology.

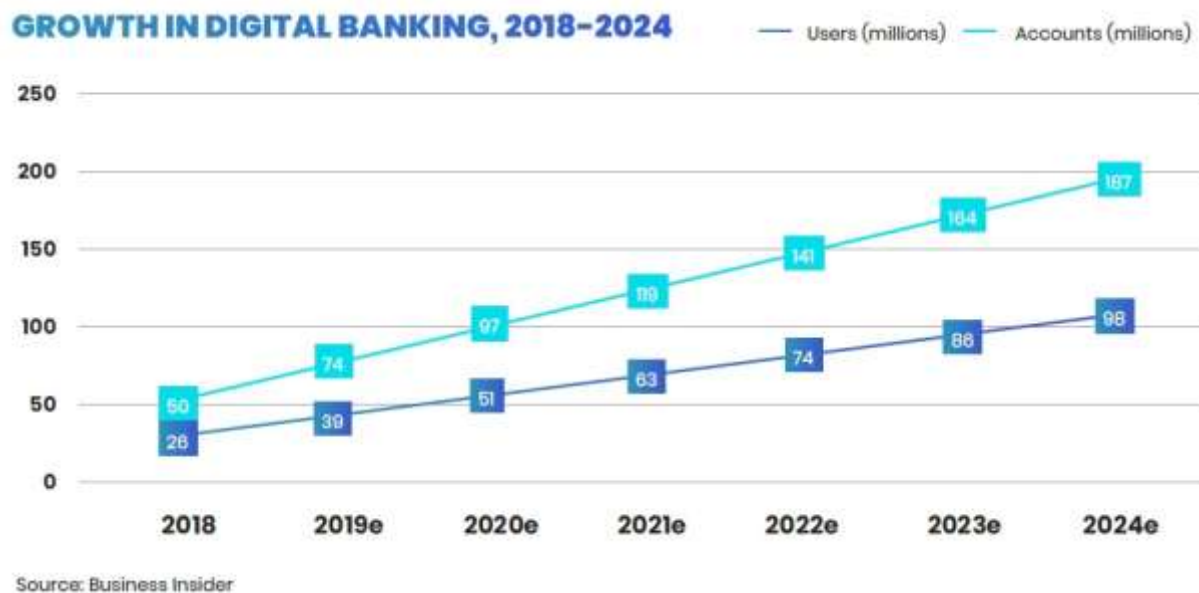


Fig- 1: Growth in Digital Banking

3. METHODOLOGY

In this paper the secondary data has been consulted for the purpose of study the. Data will be gathered by text books and internet sources of on the concept of mobile banking in India.

3.1 Features & benefits of mobile banking (mobile payment characteristics)

A mobile payment service in order to become acceptable in the market as a mode of payment the following Conditions have to be met:

- 1) **Simplicity and Usability:** The m-payment application must be user friendly with little or no learning curve to the customer. The customer must also be able to personalize the application to suit his or her convenience.
- 2) **Universality:** M-payments service must provide for transactions between one customer to another customer (C2C), or from a business to a customer (B2C) or between businesses (B2B). The coverage should include domestic, regional and global environments. Payments must be possible in terms of both low value micro-payments and high value macro- payments
- 3) **Interoperability:** Development should be based on standards and open technologies that allow one implemented system to interact with other systems.
- 4) **Cost:** The m-payments should not be costlier than existing payment mechanisms to the extent possible. Am-payment solution should compete with other modes of payment in terms of cost and convenience.
- 5) **Speed:** The speed at which m-payments are executed must be acceptable to Customers and merchants.

3.2 Perceived utility of Mobile banking services

The second objective of the research referred to the customers perceives utility of various Mobile banking services. Respondents were provided with a list of 17 Mobile Banking services and in relation to these services respondents were asked to indicate the degree of perceived utility they attach to particular the service. Mobile Banking services as follows (cumulative %)

- 1) Review accounts balances (86%)
- 2) Recent transactions / Mini-statements (60%)
- 3) Alerts on account activity (4%)
- 4) Change of PIN (9%)
- 5) Ordering check books (7%)
- 6) Bill payment processing (7%)
- 7) Access to loan statements (7%)
- 8) Withdrawal at banking agent (0%)
- 9) Deposit at banking agent (0%)

The Mobile banking services perceived to have high utility were Review (checking) accounts balances (86%), Recent transactions / Mini-statements (60%) and Alerts on account activity (4%) This suggests that overall most of the customers prefer information based services rather than financial services provided by the bank. It is clear that major mobile banking users are interested in having the information of various types like checking balance, review mini statement, review credit card balances rather transaction based services is not preferred by the customer it may be due to lack of security, network problem or insufficient operating guidance as founded in this research as a major barrier.

3.3 Activities and Primary Functions:

- 1) **Deposit Acceptance:** Being a short term credit dealer, the commercial banks accept the savings of public in the form of following deposits
 - Fixed term deposits
 - Current A/c deposits
 - Recurring deposits
 - Saving A/c deposits
 - Tax saving deposits
 - Deposits for NRIs
- 2) **Lending Money:** A second major function is to give loans and advances and thereby earn interest on it. This function is the main source of income for the bank.
- 3) **Overdraft facility:** Permission to a current A/c holder of withdrawal more than to what he has deposited.

- 4) **Loans & advances:** A kind of secured and unsecured loans against some kind of security. Discounting of bill of exchange in case a person wants money immediately, he/she can present the B/E to the respective commercial bank and can get it discounted.

3.4 Advantages of Mobile Banking:

A very effective way of improving customer service could be to inform customers better. The customers can then check their balance on the phone and authorize the required amounts for payment. The customers can also request for additional information. They can automatically view deposits and withdrawals as they occur and also pre-schedule payments to be made or cheques to be issued. Through mobile messaging and other such in faces, banks provide value added services to the customer at marginal costs.

4. RESULTS

Results are as follows of Mobile Banking Application in form of screenshot:

4.1 Home Page

Front Page is a login page and for creating new account in banking application



Fig- 2: Home Page

4.2 Login Page

This page asks about what are the activities to do after login

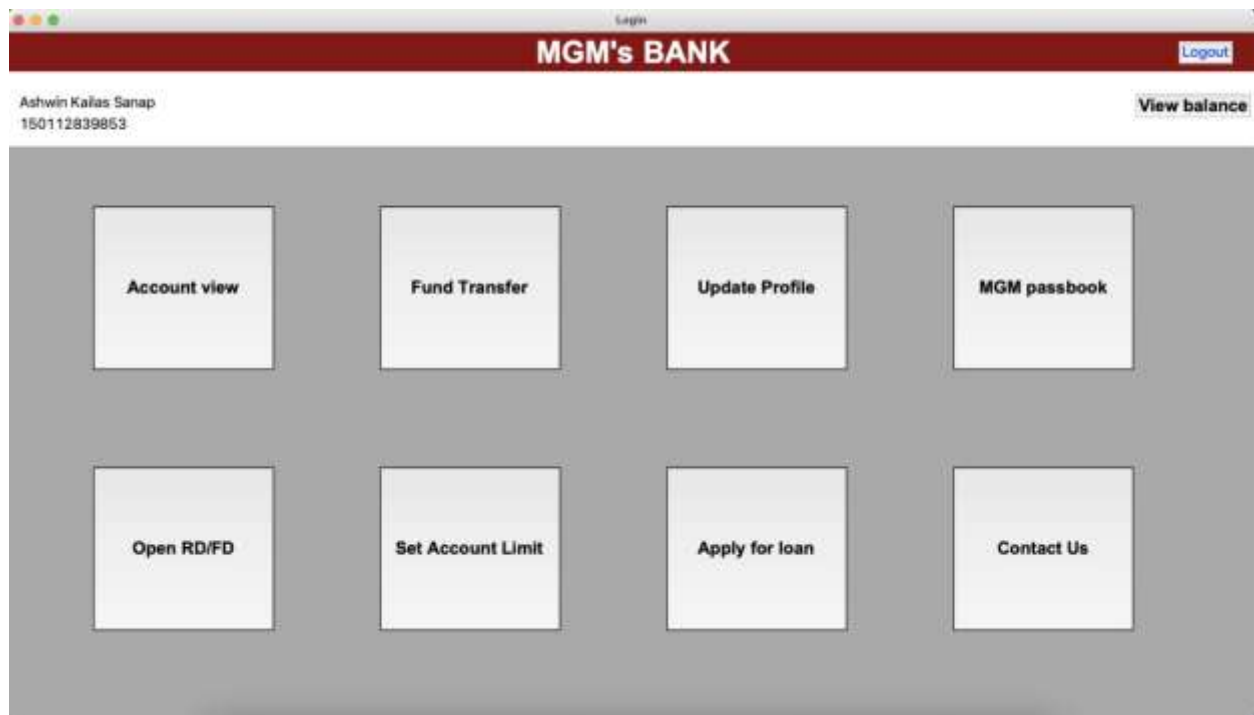


Fig- 3: Login Page

4.3 Transactions

This page shows what are the transactions we do are done successfully.

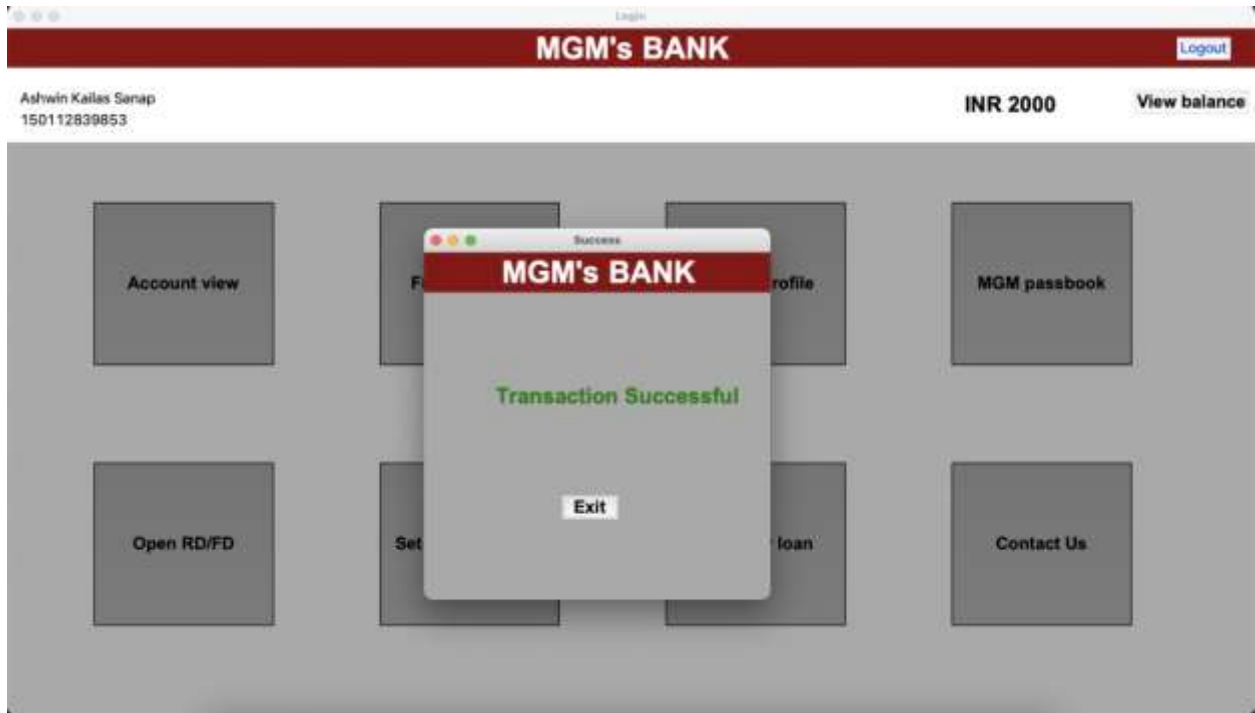


Fig- 4: Transaction

4.4 Profile page

This page shows account holders personal information

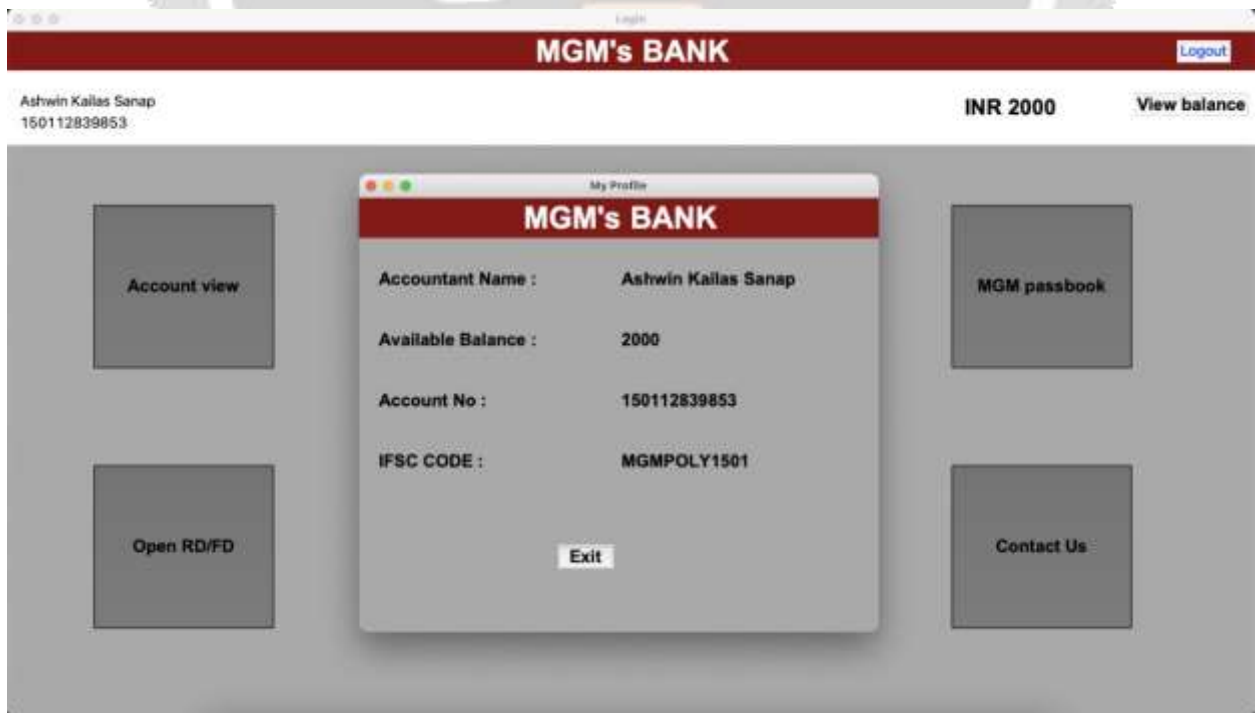


Fig- 5: Profile

4.5 Verification

This page is for verification of email id and mobile number.

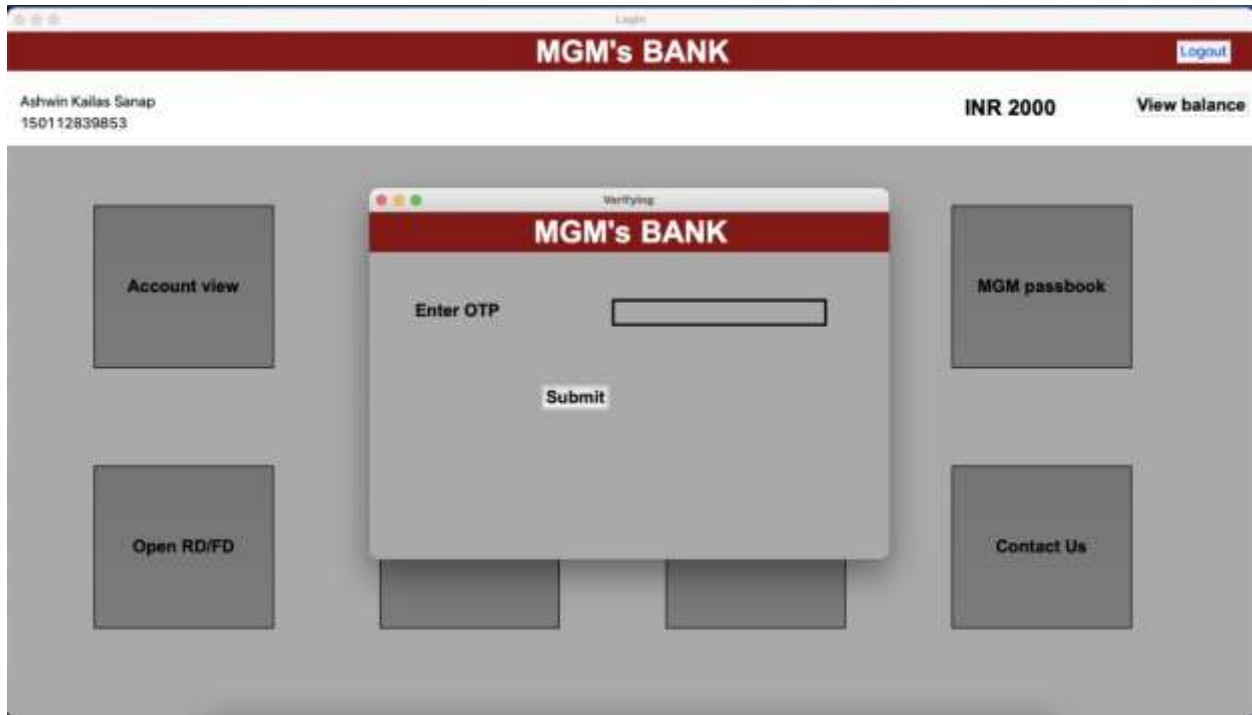


Fig- 6: Verification

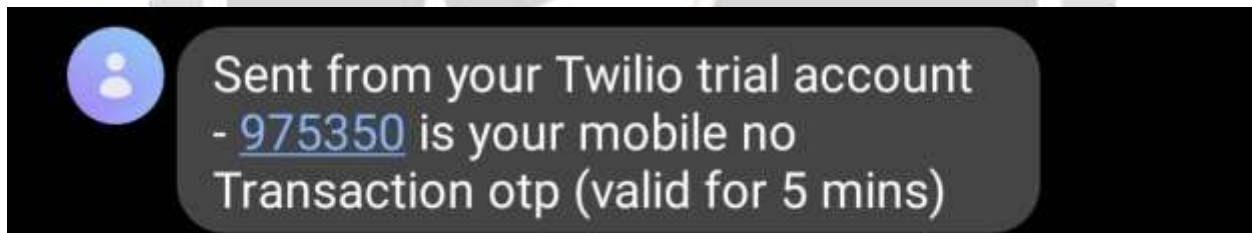


Fig- 7: OTP

4.6 Passbook

This page shows passbook and also what transactions are done in past. And sends SMS on registered mobile number as debited or credited

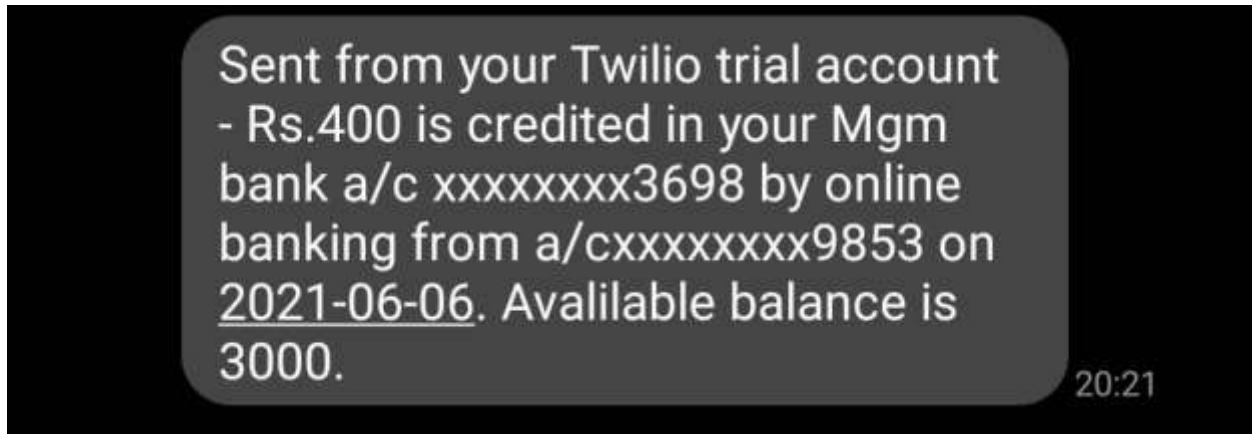


Fig- 8: Mobile message

Date	Cr/Dr	Amount	Available Balance
2021-06-06	Dr	400	1000
2021-06-06	Dr	500	1400
2021-06-06	Dr	100	1900

Fig- 9: Passbook

4.7 Contact

This page gives bank details as address, email id, etc.

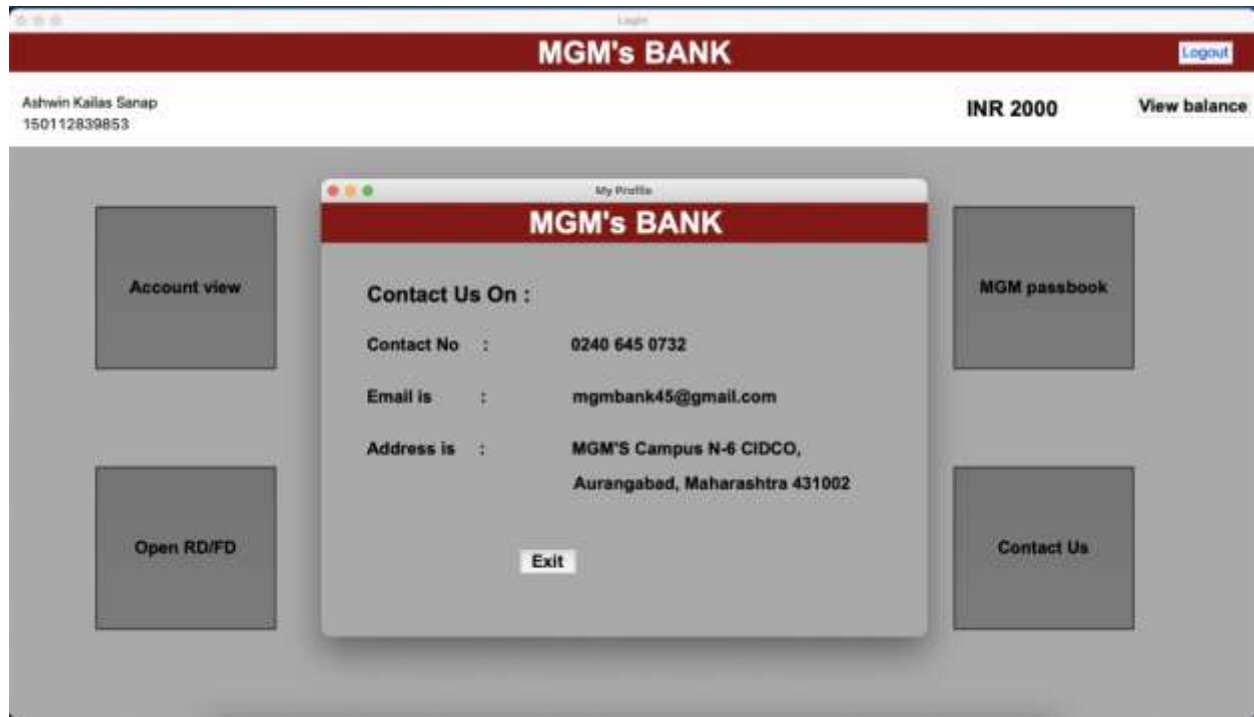


Fig- 10: Contact

5. CONCLUSIONS

One of the major hurdles to overcome for successful consumer acceptance of mobile banking is financial systems security. The idea of managing funds over a cell phone or similar, with a signal that can easily be grabbed by others with the right equipment, is a scary idea for many consumers. The customers must be made to understand the system and explain its safety and make them overcome their fear. If this is done in future there is a possibility the usage of Mobile Banking Will go up to 100%.

6. REFERENCES

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